

Health care big issue for states

by DAVID DAVIS, Managing Editor
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Shortly before State Rep. Kevin Brooks was scheduled to speak to the Healthy Woman group sponsored by SkyRidge Medical Center about the cost of health care in Tennessee, the U.S. Congress was arguing about the cost of President Barack Obama's health care reform.

The Congressional Budget Office reported repealing the legislation

would add billions to government red ink and leave millions without coverage.

According to AP news reports, House Republicans issued their own report Thursday arguing Obama's coverage expansion would cost jobs and increase budget deficits.

In a letter to House Speaker John Boehner, budget office director Douglas Elmendorf estimated repeal would increase the deficit by \$230 billion from 2012 to 2021, the 10-year estimating period for budget projections. Moreover, Elmendorf said about 32 million more people would be uninsured in 2019 as a consequence.

"As the new 112th Congress is being installed, they want to repeal what was done in the last Congress about health care reform," Brooks said. "And we've heard our own Gov. Phil Bredesen say this (health care reform) is going to cost Tennessee a lot of money and right now Tennessee doesn't have a lot of money."

The Republican representative from the 24th Legislative District said Tennessee did receive "a tremendous amount of money" last year in the form of American Recovery and Reinvestment Act of 2009 funds.

"When we cast our vote on what to do with that money, if we had it to do all over again, in hindsight, I wish we had not used the federal money to pay our state bill. We basically used our VISA card to pay our Discover card. And guess what, we still have a bill," he said. "We temporarily put a Band-Aid over it and temporarily fixed it. Now we've got to go back on Jan. 10, and find immediately about \$185 million."

He said federal health care legislation would add an additional \$200 million to the state's deficit. That money will come due in 12 months.

"At some point, the TennCare Department or other department is going to be asked to figure out what to do to find that additional \$200 million," he said.

Brooks said Tennessee Health Care Campaign believes the Patient Protection and Affordable Care Act is a great deal for Tennesseans because the rate of return on investment of \$220 million a year is very positive.

The Tennessee Health Care Campaign's website says Tennesseans will receive security and peace of mind from the new health care law. The guarantee of affordable, quality coverage is essential, yet some worry about the costs.

Brooks said he is one of those who worries about the cost.

According to the website, "The state of Tennessee has determined helping Tennessee families and small businesses will cost the state \$1.1 billion over five years, or \$220 million per year. This is a very modest investment given that all 6.1 million Tennesseans will benefit from the reform, including 650,000 who will gain coverage through the Exchange and expansion of TennCare; and the federal government is paying for 95 percent of the expansion — to the tune of \$21.5 billion over 5 years (\$4.3 billion per year for 5 years). Put another way: for each \$1 of expansion cost, the federal government pays 95 cents and the state pays 5 cents."

Brooks said, "That's a very large sum of money. We expect the state's cost to be \$1 billion and the federal government's cost to be \$21.5 billion over the next five years. We've got to figure out, if this health care passes, where we are going to find the money to pay for it."

Brooks, who serves on the House Finance, Ways and Means Committee, said the state income did not meet projections for 24 months.

"We are just now — and I do not think the recession is over — I do think we are starting to come out of it. We've had four months of the last fiscal year that were above projections, not by much, just a little, and in the first four months of this year (beginning Oct. 1, 2010) we've had very small, incremental growth," he said. "I don't think we are out of the woods yet and by no means have we paid the bill we tried to pay with our VISA card."

As Volkswagen, WACKER, Hemlock Semiconductor and Amazon.com start production, Brooks believes the state's economy will continue to get better.

"But right now," he said, "we are not doing better."